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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement
Portions of AB 117 Concerning Community
Choice Aggregation.

Rulemaking 03-10-003
(Filed October 2, 2003)

**ADMINISTRATIVE LAW JUDGE'S RULING SETTING PREHEARING
CONFERENCE AND REQUESTING PREHEARING CONFERENCE
STATEMENTS**

Prehearing Conference

A prehearing conference (PHC) in this matter will be held before Administrative Law Judge Anne Simon on February 16, 2017, at 10:00 a.m., in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

Parties desiring expedited transcripts should advise the Chief Hearing Reporter via e-mail at reporting@cpuc.ca.gov, no later than three days prior to the day of the PHC.

If you have questions about the PHC date, time, or place, call the Commission's Calendar Clerk at (415) 703-1721.

Background

The Amended Scoping Memo and Ruling (January 14, 2011) (Amended Scoping Memo) provides detailed background information on the efforts of parties to settle the issues related to the bond required of Community Choice

Aggregators (CCAs) pursuant to Pub. Util. Code Section 394.25(e).¹ In brief, a pair of settlement agreements entered into in 2009 were approved with some modifications in a proposed decision (PD) issued in September 2010. Before the PD was voted on by the Commission, the two settling parties that had been exploring becoming CCAs abandoned those efforts. As a result, the PD was withdrawn by the Amended Scoping Memo. The Amended Scoping Memo also asked the parties for additional comment on the issues addressed in the proposed settlements and the withdrawn PD, based on the recent commencement of operations by the Marin Energy Authority (now Marin Clean Energy).

Since the Amended Scoping Memo was issued, five additional CCAs have begun operation. It is therefore time to review and finally resolve the methodology for setting a CCA bond, in light of the actual operation of the several CCAs currently providing service, as well as the plans of several entities considering becoming CCAs.

¹ Section 394.25(e) provides:

If a customer of an electric service provider or a community choice aggregator is involuntarily returned to service provided by an electrical corporation, any reentry fee imposed on that customer that the commission deems is necessary to avoid imposing costs on other customers of the electrical corporation shall be the obligation of the electric service provider or a community choice aggregator, except in the case of a customer returned due to default in payment or other contractual obligations or because the customer's contract has expired. As a condition of its registration, an electric service provider or a community choice aggregator shall post a bond or demonstrate insurance sufficient to cover those reentry fees. In the event that an electric service provider becomes insolvent and is unable to discharge its obligation to pay reentry fees, the fees shall be allocated to the returning customers.

All further references to sections are to the Public Utilities Code unless otherwise noted.

PHC Statements

The purpose of this PHC is to gather information relevant to resolution of the one remaining issue in this proceeding: setting the bond requirement for CCAs in accordance with Section 394.25(e). No other issues will be addressed at the PHC and no other issues may be presented in PHC Statements.

Please note that the Commission is holding an *en banc* concerning broader issues related to CCAs on February 1, 2017. *Questions related to setting the bond requirement for CCAs in accordance with Section 394.25(e) are not on the agenda for the en banc and will not be addressed in that forum.* The agenda for the *en banc* may be found at:

http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/About Us/CCAEnBanc_20170201Agenda.pdf.

Any party may file and serve a PHC statement of not more than 8 pages in this proceeding, limited to the issue of determining a methodology for the bond that CCAs are required to post in accordance with Section 394.25(e). PHC statements may be filed and served not later than February 13, 2017. Parties are encouraged but not required to confer, and to file joint PHC statements to the extent relevant and feasible.

PHC statements should address the following issues:

1. What, if any, consideration should now be given to any of the information filed in response to the Amended Scoping Memo in 2011?
2. Should a bond methodology be the same for all CCAs? Why or why not?
3. Should a bond methodology be fundamentally a multiplication of an IOU's reentry fee by an estimate of the number of a CCA's customers, or some other arithmetic measure? What issues would need to be resolved to develop such a methodology?

4. If some other type of methodology should be considered, what would it be? What issues would need to be resolved to develop such a methodology? Numerical examples should be provided.
5. Should the bond methodology include any adjustment for risk and/or historical experience of a CCA? Why or why not?
6. How, if at all, should the potential for expansion of a CCA's service to additional areas after its initial service begins be accounted for in developing a CCA bond methodology?
7. Provide a proposed schedule for resolving this issue in this proceeding. Any proposal that includes either a workshop or an evidentiary hearing must provide specific justification for the proposed activity.
8. Identify any other issues related solely to the setting of a bond for CCAs that a party believes should be discussed at the PHC.

IT IS RULED that:

1. A prehearing conference in this proceeding will be held on February 16, 2017, at 10:00 a.m., in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.
2. Parties may file and serve prehearing conference statements of not more than 8 pages, prepared in accordance with the instructions in this ruling, not later than February 13, 2017.

Dated January 30, 2017, at San Francisco, California.

/s/ ANNE E. SIMON
Anne E. Simon
Administrative Law Judge